DOCUMENT RESUME

ED 316 718 CE 054 369

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TITLE Public and Private Initiatives: The Road ahead for Hispanic Workers. Occasional Paper Series No. 2.
INSTITUTION Tomas Rivera Center, Claremont, CA.
PUB DATE 87
NOTE 16p.; Keynote address presented at the Seminar on Providing Employment and Training Opportunities for Hispanics: Public and Private Initiatives (Austin, TX, December 1986).
PUB TYPE Speeches/Conference Papers (150) -- Viewpoints (120)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Basic Skills; *Education Work Relationship; Employment Opportunities; *Hispanic Americans; Job Skills; *Job Training; *Labor Force Development; *Success

ABSTRACT

Demographic trends between now and 1993 indicate a window of opportunity for economically disadvantaged Hispanics. If basic and job-specific skills are delivered to those who need them, unemployment and underemployment among Hispanics can be eliminated during this time. Although the present system of job training and employment programs is inadequate for the task, information available from program evaluations indicates how the system can be improved to take advantage of the demographic projections. Some of this material demonstrates that (1) the training and education of Hispanics by other Hispanics is essential for success; (2) the provision of on-the-job and residential training brings the most returns; (3) intensive training of 6 months to 1 year is best; and (4) a standardized management information system is imperative for future improvements in services to Hispanics. A stronger Hispanic presence in both the legislative process and private sector training ventures is required to accomplish such improvements. Cohesion must be created in the nation's human resource system in order to maximize the investment of $210 billion in private funds and $3.6 billion in public funds. Flexible networks are a prerequisite to the effective communication of changing employer needs, the development of the training profession, and the improvement of training practices. Most important, such networks would provide Hispanics one of their best avenues into the world of productive employment. (Author/CML)

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PUBLIC AND PRIVATE INITIATIVES: THE ROAD AHEAD FOR HISPANIC WORKERS

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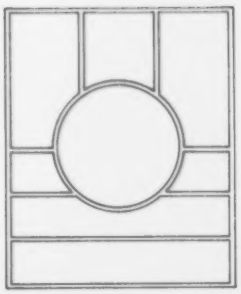

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FRED E. ROMERO

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ABSTRACT

Between now and 1993 demographic trends show a window of opportunity opening for economically disadvantaged Hispanics. **During this time unemployment and underemployment among Hispanics can be eliminated, if basic and job-specific skills are delivered to those who need them.** Although the present system of job training and employment programs is inadequate for the task, evaluative material from the various programs points to several ways that the system can be improved to take advantage of the upcoming demographic projections. Some of this material demonstrates that (1) Hispanics training and educating other Hispanics is essential for success; (2) the provision of on-the-job and residential training brings the most returns for all concerned; (3) intensive training of six months to one year is best; and (4) a standardized management information system is imperative for future improvements in services to Hispanics.

To accomplish such improvements, a stronger Hispanic presence in both the legislative process and private sector training ventures is required. The first is necessary to ensure that the design flaws found in existing public job training programs are replaced with programmatic structures and regulations beneficial to the training and educating of Hispanic participants. The second is needed to ensure that Hispanics receive the many career advantages traditionally associated with on-the-job, employer-based learning.

Unfortunately, with respect to the private sector, virtually no research exists to illustrate how employer-based training systems operate. Moreover, little is known about how to successfully link pre-employment training and education with employer-based learning. What *is* known, however, is that training on-the-job is more effective than public job training programs.

It is obvious that cohesion must be created in the nation's human resource system in order to maximize the investment of 210 billion dollars in private funds and 3.6 billion dollars in public funds. Flexible networks, it is concluded, are a prerequisite to the effective communication of changing employer needs, the development of the training profession, and the improvement of training practices. Most important such networks would provide Hispanics one of their best avenues into the world of productive employment.

PUBLIC AND PRIVATE INITIATIVES:
THE ROAD AHEAD FOR HISPANIC WORKERS*

Despite the welter of negative trends, the late 1980s and early 1990s offer a once-in-a-century opportunity to address and solve the most intractable problems of economically disadvantaged Hispanics. In the years between 1986 and 1993, the population and the workforce will grow more slowly than by any time since the 1930s. Moreover, the average age of the population and the workforce will rise, and the pool of young workers entering the labor market will shrink, including a drop in the absolute number of economically disadvantaged young people. A window of opportunity exists between now and 1993 to eliminate unemployment and underemployment of Hispanics by imparting basic and job-specific skills to those who need them.

Traditional job training and employment programs by themselves are unlikely to have profound impacts on the future success of economically disadvantaged Hispanics. Unless the billions of dollars invested yearly by employers to train and upgrade their workforce can somehow be better harnessed to serve poor and disadvantaged Hispanics, the $3.6 billion JTPA system can make only a small dent in the problem -- even if JTPA worked well for them.

For the private sector to successfully provide opportunities for economically disadvantaged Hispanics may require radical changes -- changes which Hispanics already placed in the employment system could be helpful in providing. Hispanics can be useful to employers because they have some understanding of the complex interconnections between employment, education, literacy, cultural values, income and living environments. They understand the issues of individual and family responsibility, and other areas related to productive activities.

My purpose today is to discuss what we know to be successful for Hispanics in our public training experience garnered from CETA and JTPA. I then want to link that experience with what employers do with their learning systems in the workplace. As I discuss workplace learning, I also want to suggest areas for research in that enormous activity funded by private sector employers at a cost of roughly $210 billion.

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*Keynote Address, Seminar on Providing Employment And Training Opportunities For Hispanics: Public And Private Initiatives, Sponsored by The Tomás Rivera Center in Austin, Texas, December 1986.

Lessons from Public Training Experience

Probably the four most important findings coming from training and employment evaluation studies in the past two decades is that (1) unemployed Hispanics want to work, but they realize they lack the necessary skills; (2) the training and educating of Hispanics by other Hispanics makes a very important difference in producing positive outcomes; (3) only a small number of job strategies work for the economically disadvantaged, OJT and residential training are the most successful; and (4) training and remediation activities for persons of limited employability are profitable.

According to the best evidence, even short-duration local classroom training raises earnings by a tenth in the year after termination, while training on-the-job yields increments almost twice as large. Comprehensive residential training (Job Corps) for the most disadvantaged youth results in earnings gains of a tenth, as well as large reductions in crime and dependency. Moreover, the impacts of local classroom and residential training increase rather than decrease, while longer-duration training pays off more than proportionately. Every dollar spent on residential training yields at least $1.45 in social benefits, according to conservative estimates of the current values of benefits and cost and after accounting for alternative real returns on the same resources. Local classrooms training returns an estimate $1.38 for each dollar invested, while the payoff of on-the-job training is substantially greater. In short, the investment in remediation and training is at least as profitable as the investment in higher education despite labor market conditions and despite correctable shortcomings in programs and policies.

Yet the primary emphasis of CETA was to provide jobs rather than training (18 cents out of every dollar went for training) and a "helping hand" rather than substantive remediation or career ladders. Local training was primarily of limited duration and in a classroom rather than a job setting. Short duration training is the predominant practice in JTPA as well.

We learned that Hispanics, on the average, require six months to one year of intensive training. Yet only a third of classroom trainees in CETA received more than half a year of instruction, and one in fifty received less than a year of training. In JTPA, as in CETA, length of stay is a good indicator of programmatic decisions made at the local level. The average length of stay in JTPA is 12 weeks, a period too short to overcome the literacy and training deficits of the structurally

unemployed. Twelve weeks is not sufficient time to couple basic-skills training with job-specific training. An Hispanic, illiterate in English, is too costly to the JTPA system under the current local decision rules. The evidence argues for longer training duration. Relative earnings gains increase the longer a person spends in a program. We learned that a standardized management information system was an imperative not to be ignored if we were to track Hispanic enrollments, participation, service mix, and outcomes. The standardized management information system for CETA did not record the intensity of services and was focused on short-term outcomes, so that pressures for placement or cost-saving resulted in limited services and quick fixes. We are no better off with JTPA. The data requirements imposed by the Department of Labor for JTPA are related to the seven performance standards established for the system. What these data do not provide, in addition to the information previously mentioned, is information on performance for high school dropouts, women, minority youth, welfare youth, teen parents or persons with limited English proficiency. Attrition information by participant characteristics is also not available. Taken together, these omissions in performance reporting rule out the opportunity for assessing the program in its ability to aid the hard-to-serve.

Hispanics favor national standards for curricula or for participant performance, criteria for completion, and credentials which document skill acquisition. CETA had only isolated instances where such efforts were tried. In JTPA most of these concepts are in place but we don't know if they work, or how well they work, for Hispanics .

Hispanic community-based organizations (CBO's) complained for some time that local decision-making based on short-term results discouraged long-duration classroom training, and that federal regulations stacked the cards against on-the-job training. Their complaints, for the most part, were ignored by federal and CETA officials.

How have CBOs fared under JTPA? With local decision-making in the hands of PICs, the input and ability to deliver program services by local community-based organizations has weakened. Those CBOs which have survived, have done so by changing their mode of operation and program design to look like other service providers in order to remain competitive. Fixed-price, performance-based contracts have forced service providers to look for the "quick fix" at the lowest cost in order to make ends meet and yet still remain competitive. Even where Service Delivery Areas (SDA's) defer service mix decisions to service providers,

the press of competition drives services providers to the minimum level of quality in order to survive.

When the Job Training Partnership Act came along in 1982, and when it was amended this year, Hispanics had an opportunity to impact upon the design of the employment and training system in several important ways, but they did not. Their complaints about the evils of CETA's planning, budgeting, record-keeping, decision-making and management approaches for local programs were not registered in the policy process. We learned that Hispanic input could have impacted upon the proposals which were being considered to correct the shortcomings of CETA and make the new training system a more effective and efficient system. Let me cite some examples where Hispanic input would have been critical:

1. The Reagan Administration proposal to eliminate income maintenance (allowances and stipends) in training.

   Impact on Hispanics: If JTPA is to serve the most in need, allowances are a necessary component of any effort to impart basic and job-specific skills because of the low income of Hispanics. It is true, however, that allowances in training under CETA were in some cases more than was justified by need or productivity, and perhaps they attracted and held some participants who had limited interest in improving employability. Nevertheless, even reduced allowances now would encourage transition into unsubsidized employment and would still leave room for incentives to reward participant performance.

2. National performance standards and youth employment competency systems.

   Impact on Hispanics: Support the concept of performance standards in principle, but warn about the potential for their perverse use by state and local managers. Hispanic support would have been specific with regard to youth employment competencies. First, whatever competency system was developed and implemented, must be extended to the adult population in JTPA as well. Second, uniform, federally-mandated competency assessment systems must be adopted to measure academic and vocational skill acquisition; to organize individualized, self-paced instruction; to judge

the effectiveness of training entities; and to certify competencies attained.

3. Service mix and duration of training.

Impact on Hispanics: Insist that more intensive investments are needed. Build a second program level onto the short-duration training and remediation efforts which predominated within CETA so that individuals with initial deficits but substantial potential are provided opportunities for upward mobility. For example, efforts should be made to couple English language training with other remediation where necessary. Sort performers from nonperformers among participants, as long as remediation and training is focused on those who need it most. Those who cannot advance to second program level activities, would continue to receive the type of help the system has always provided.

4. Quality of training.

Impact on Hispanics: Training for disadvantaged Hispanics should utilize mainstream institutions working together with community-based organizations, providing participants greater choice and applying stricter standards of individual performance.

5. Worker experience.

Impact on Hispanics: Work experience for youth is a necessary component of any effort to assist youth to transition from school to work. The following conditions would have been stipulated:

(a) Remedial education and training should be required supplements to work experience, and the hours of subsidized work provided for any individuals should be restricted to 10-15 hours per week. SDAs are doing it now on a voluntary basis in the Summer Youth Program.

(b) The training required as part of work experience should be without stipend, in addition the hourly compensation should be

reduced which should encourage transition to unsubsidized employment. Allowances should cover the poverty deficit, with supplemental rewards for performance, rather than being based on hours of participation.

Finally, let me mention one more vital lesson Hispanics have learned. It was to increase sensitivity to those persons in greatest need, realize efficiency in program operations, and increase accountability that prompted and justified JTPA in its design. Yet, state level investigations conducted by several groups and organizations, including the Department of Labor, reveal the potential danger of turning over total responsibility for administering training and employment to the states without increased federal support, policy guidance, program oversight, and uniform record keeping. There is merit to the argument that better decisions are made at the state and local level. When it comes to serving the poor and minorities, a federal presence, even a limited one, will always be required.

Private Sector Initiatives

One of the four cornerstones upon which JTPA is built is private sector involvement. At the local level, PICs set policy and evaluate the activities in their SDA. At the state level, State Job Training Coordinating Councils (SJTCC) assist governors in coordinating human resource development activities in the state. Nearly 9000 private sector representatives are involved with JTPA helping to make it work. The intent of the law is to have these representatives provide the vital link between SDA operations and the employer community. In short, JTPA is one major public/private sector initiative. Private sector employers provide staff, equipment facilities, dollars and jobs. Forty percent of the training provided by SDAs is OJT (on-the-job) training conducted on-site.

There is another aspect of private sector involvement that we should discuss at this gathering. I refer to the roughly $30 billion for formal courses and another $180 billion for informal training on the job invested yearly by employers across the country. The problem we have, if we were to discuss this topic now, is that this enormous activity occurs in an analytic vacuum.

There is no single data base. There are no established cost accounting procedures and no systematic inventory of best practices. The road ahead for Hispanics is to somehow link this enormous activity, which occurs mostly in the workplace, with our efforts on behalf of the economically disadvantaged unemployed Hispanics.

Learning in the workplace has been a consistent and primary source of productivity improvement and growth in national income. The returns on investment in workplace learning consistently outperform those in plan or equipment. We also know that training in the workplace is the primary determinant of one's earnings and career opportunity, and accounts for as much as 85 percent of individual lifetime earnings. Yet for decades, this training has been an unacknowledged employer contribution to the education of Americans.

If learning in the workplace is critical to the career development of all Americans, why is 60 percent of the training conducted in JTPA outside the workplace? I really don't know why, but we should find out. I can tell you that our experience with public job training over the past decade has taught us that training outside the context of a job is minimally useful. Such training does not create jobs. Jobs create training. As a result, linkages with the workplace are central to the economic success of public education and job training programs.

Let me repeat that in spite of its importance, there is a research void in our understanding of learning in the workplace. As a result, we know very little about how to make learning on the job more efficient and more effective, either for individual learners or their employers. Moreover, we know very little about how to link employer-based learning and pre-employment education and training. The body of knowledge and research support dedicated to formal education is vast, but of limited value in improving workplace learning.

While we know that employer-based learning is informal, inductive, and interactive and schooling is formal and deductive, our understanding of the complementarity between effective schooling and success in the workplace is primitive. We don't know which basic skills -- cognitive and affective -- encourage successful learning on the job.

Much the same is true for the relationship between public job training and learning on the job. Almost $100 million has been spent on public job training programs over the past decade, but evaluative literature has concluded that training on the job

is more effective. At the same time, there is little information on how to prepare entry-level employees with the basic skills and attitudes that **accelerate learning and success** on the job.

I should state that among employers there is a growing but diffused interest in training and development. The pressures for more rapid adaptation and concern for maintaining competitive advantage have elevated the human resource development function in many corporations. Companies have begun to earmark funds for training and development. Many are experimenting with plans to move training closer to the point of production in order to make it part of the adaptive process and supportive of strategic organizational goals.

Workplace learning is critical to the nation's ability to adapt to change and to maintain its competitive edge. Economic and technological change most immediately affects those in the workplace on whom it imposes new skill and knowledge requirements. The workplace learning system is our first line of defense in the struggle to adapt. It is in the workplace that practical applications translate into new skill and new knowledge requirements. In the workplace, the need to know begins with changes in specific tasks. It is where current knowledge confronts advancing practice. The ability of companies to create adaptive training and development systems is a determining factor in their competitive position. The combined ability of the nation's business institutions and CBOs and school systems to do the same will influence whether or not that nation will garner a winner's or a loser's share in world economic growth.

Employees dislocated by economic change and made redundant by new technologies are only the most obvious and dramatic evidence of a more subtle incremental and pervasive process of economic and technological change that affects skill requirements for all employees. Dislocated and redundant employees are only the tip of the retraining iceberg. By far, the greater need for new skill requirements is among those who remain in jobs changed by economic and technological forces.

Even in periods of rapid economic and technological change, new skill requirements are evolutionary rather than revolutionary. Such change rarely dispenses with whole occupations or jobs all at once. Instead, marginal changes develop among the tasks associated with individual jobs or occupations. Learning comes in relatively small bites with formal and informal training on the job. These subtle shifts rarely attract notice outside the workplace until they accumulate in sufficient quantity to affect pre-employment occupational

preparation or until, over a number of years and even decades, they evolve into an entirely new occupation or job description.

Today, the nation's human resource development system is a crazy quilt of suppliers and employer-based human development structures. Linkages among educators and public job trainers are generally poor. Where they do exist, linkages vary enormously by area and industry. At the national level, there are no established networks between educators, public job trainers and their counterparts in private industry. In addition, linkages change as the economic cycle, technological change and shifting competitive advantage create shifts in the demand for both the quantity and kinds of job-related skills. As a result of this lack of cohesion in the nation's human resource development system, the suppliers of trainable labor educate and train with little knowledge of the needs of the prospective employer. In addition, changing employer needs are communicated "catch-as-catch-can." Moreover, absent effective networking between employers and suppliers, the state of the training art advances slowly and in a piecemeal fashion. Flexible networks are a prerequisite to effective communication of changing employer needs, the development of the training profession and improving training practices.

I conclude by stating that Hispanic professionals in the past two decades have learned a great deal about what works for Hispanics in the public training area. We are virtually ignorant of what goes on in the workplace. High on our agenda for the immediate future should be a critical examination of employer-based learning systems and their implications for Hispanics.

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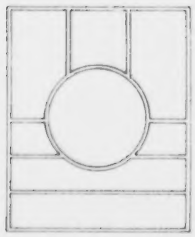

THE TOMÁS RIVERA CENTER

The Tomás Rivera Center is a national institute for policy studies that addresses issues affecting the quality of life of Mexican Americans and the larger Hispanic population of the United States. It is principally concerned with those social and institutional policies that determine the quality of education that Chicanos and Latinos receive and that influence their socioeconomic well-being in the United States.

The Center is named for and dedicated to the memory of one of its founders, the late Tomás Rivera (1935-1984), distinguished educator, prize-winning writer and, at the time of his death, Chancellor of The University of California Riverside. An independent institution governed by an elected Board of Trustees and an appointed President, The Tomás Rivera Center joins several institutes and centers already affiliated with and housed at the Claremont University Center and Graduate School in Claremont, California.

The Center began operations in January 1985 with the support of major grants from the Carnegie Corporation of New York and three California foundations: the Times Mirror, the William and Flora Hewlett and the James Irvine Foundations. A Texas Office of The Center, affiliated with Trinity University in San Antonio, Texas is scheduled to begin operations in June of 1988.

Information concerning The Center and its programs can be obtained by writing The Tomás Rivera Center at 710 N. College Avenue, Claremont, CA 91711.

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